

# UNIVERSITY OF MICHIGAN

Ann Arbor 48109



## BOARD OF REGENTS

	<i>Term expires</i>
DAVID A. BRANDON, Ann Arbor . . . . .	Dec. 31, 2006
LAURENCE B. DEITCH, Bingham Farms . . . . .	Dec. 31, 2008
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MARY SUE COLEMAN, *ex officio*

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## **University of Michigan**

Section 5 of Article VIII of the Constitution of 1963 provides for the Regents of the University of Michigan. The board consists of eight members elected for 8-year terms. The president of the university, who is elected by the board, is an ex officio member. The Regents are a body corporate and have general supervision of the institution and the control and direction of all expenditures from the institution's funds.

The University was founded in 1817 with a grant of 1,920 acres of land ceded by area Indians for "a college at Detroit." The territorial legislature planned "a university of Michigania" as a territory-wide public educational system. It was moved to Ann Arbor in 1837 to take advantage of an offer of 40 acres of land at the edge of town. The acreage ceded by the Indians was sold, and the proceeds remain part of the University's permanent endowment. The University earned the title "mother of state universities" when it became the first model of a complete state university in America. The original 40-acre campus has expanded to 3,177 acres with 538 major buildings and 1,468 family housing units. The University of Michigan-Flint opened in 1956 with a gift from the Mott Foundation. The University of Michigan-Dearborn followed in 1958 on the land of the Henry Ford Estate, a gift of the Ford Motor Company.

### ***Schools and Colleges, Students and Faculty***

Almost every one of the University's 19 academic schools and colleges ranks among the top in its field. The schools and colleges on the Ann Arbor campus are: College of Literature, Science and the Arts; Medical School; Law School; School of Dentistry; College of Pharmacy; College of Engineering; Horace H. Rackham School of Graduate Studies; A. Alfred Taubman College of Architecture and Urban Planning; School of Education; Stephen M. Ross School of Business; School of Natural Resources and Environment; School of Music; School of Public Health; School of Nursing; School of Social Work; School of Information; School of Art and Design; Division of Kinesiology; and the Gerald R. Ford School of Public Policy. The Dearborn campus has four schools and colleges: the College of Arts, Sciences and Letters; School of Management; School of Engineering; and Division of Education. The Flint campus has three schools and colleges: the College of Arts and Sciences; the School of Management; and the School of Health Professions and Studies.

University of Michigan students, who hail from all 50 states and more than 110 countries, participate in approximately 1,075 student organizations; volunteer their time and talents in Ann Arbor, Detroit, and beyond; and broaden their horizons through the hundreds of concerts, lectures, and symposia Michigan hosts each year. Michigan's 420,000 living alumni continue to make substantial contributions to the world's intellectual, scientific, and cultural growth.

Michigan's teaching faculty counts among its ranks distinguished world authorities, Pulitzer Prize winners, Nobel laureates, MacArthur grantees, and internationally acclaimed artists, composers, and performers who thrive in the University's open and collaborative atmosphere. Faculty at all levels have numerous opportunities to develop as researchers and teachers.

### ***Libraries and Museums***

The Library system has 24 libraries with more than 7.9 million volumes and 67,500 serial titles. The University's libraries are national leaders in the development of digital library resources. There are nine museums, including the Exhibit Museum of Natural History, Kelsey Museum of Ancient and Medieval Archaeology, Museum of Art, Museum of Anthropology, Museum of Paleontology, Museum of Zoology, University Herbarium, Stearns Collection of musical instruments, and the Eva Jessye Afro-American Music Collection.

### ***Research***

Michigan's interdisciplinary Life Sciences Institute is the most recent addition to its prestigious family of institutes, centers, and advanced research facilities. Some of these are: Arts of Citizenship Program; Automotive Research Center; Biophysics Research Division; Comprehensive Cancer Center; Center for Biologic Nanotechnology; Center for the Ethnography of Everyday Life; Center for Ultrafast Optical Science; Center for Wireless Integrated Microsystems; Erb Environmental Management Institute; Howard Hughes Medical Institute; Center for Enhancement and Restoration of Cognitive Function; Zell-Lurie Institute for Entrepreneurial Studies; Center for Sustainable Systems; Center for the Study of Complex Systems; Center for Human Growth and Development; Population Studies Center; Institute for Research on Women and Gender; Institute for the Humanities; Institute of Gerontology; Institute for Labor and Industrial Relations; Institute for Social Research; International

Institute; Kresge Hearing Research Institute; Mental Health Research Institute; Substance Abuse Research Center; Tauber Manufacturing Institute; Transportation Research Institute; Unit for Laboratory Animal Medicine; William Davidson Institute.

Research expenditures in 2003-2004 were \$752,527,056, one of the largest by any U.S. university. Federal agencies provided the largest portion of funds at 71.3%, with the remaining coming from UM funds (15.3%), industry (4.4%), foundations (3.0%) and others.

## Medical Center

The University of Michigan Health System comprises the U-M Medical School and its Faculty Group Practice, three U-M hospitals, approximately 30 community health centers, 120 outpatient clinics, and the M-CARE managed care organization. The Health System consistently ranks among the best health care institutions in the nation. In 2004 it was named to the honor roll of the "best hospitals" in the United States by *U.S. News & World Report*, ranking 11th overall and at or near the top in many specialties. C. S. Mott Children's Hospital was listed twelfth among 92 children's hospitals in the nation by *Child* magazine. In addition, the quality of pediatric heart care at Mott earned a national rank of 5th in the specialty of pediatric cardiology, the best in the Midwest. The Health System also was listed in a recent issue of *The Best Hospitals in America*.

## Economic Impact of the University

The University, with campuses in Ann Arbor, Flint, and Dearborn, makes significant economic contributions to the State of Michigan. Direct contributions include revenue dollars that flow into the University, as well as goods and services purchased by the University, its employees, students, and visitors. At the Ann Arbor campus, the U-M employs approximately 30,000 people (about 22,000 Washtenaw County residents), with a total payroll and benefits of over \$2 billion. Student retail spending is estimated at more than \$300 million per year. Each home football game generates an estimated \$6-8 million for the local economy, and cultural activities attract more than 350,000 attendees each year.

## Gifts

In addition to receiving funds from the State of Michigan, the University of Michigan also relies on private gifts that support student financial aid, research and teaching by faculty, facilities and programs. Many buildings and facilities on campus owe their existence to the generosity of donors. Each year, more than 107,000 alumni and friends, corporations, foundations and associations demonstrate their commitment to the future of the University by making gifts.

<b>Credit Enrollment (fall head count)</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
On-campus Ann Arbor Campus only . . . . .	38,972	39,031	39,533
Ann Arbor, Flint, and Dearborn . . . . .	54,131	54,205	54,352

**CURRENT FUNDS SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS**

<b><i>Operating Revenues</i></b>	<b><i>2002-2003</i></b>	<b><i>2003-2004</i></b>
Student Tuition and Fees .....	\$ 687,475,000	\$ 731,179,000
Less: Scholarship Allowances .....	129,544,000	131,826,000
Net Student Tuition and Fees .....	557,931,000	599,353,000
Federal Grants and Contracts .....	623,996,000	652,472,000
State and Local Grants and Contracts .....	24,931,000	19,309,000
Nongovernmental Sponsored Programs .....	113,973,000	120,941,000
Sales and Services of Educational Departments ...	94,240,000	102,227,000
Patient Care Revenues and Managed Care Premiums .....	1,569,300,000	1,712,285,000
Student Residence Fees, Net of Scholarship Allowances .....	57,078,000	59,925,000
Other Auxiliary Enterprise Revenues .....	107,832,000	115,912,000
Student Loan Interest Income and Fees .....	1,869,000	1,377,000
Indirect Cost Recoveries .....	0	0
TOTAL OPERATING REVENUES .....	\$3,151,150,000	\$3,383,801,000
 <b><i>Operating Expenses</i></b>		
Compensation and Benefits .....	\$2,356,437,000	\$2,484,681,000
Supplies and Services .....	1,041,668,000	1,070,899,000
Depreciation .....	229,003,000	245,806,000
Scholarships and Fellowships .....	78,407,000	81,284,000
TOTAL OPERATING EXPENSES .....	\$3,705,515,000	\$3,882,670,000
 Operating (Loss) Income .....	(554,365,000)	(498,869,000)
 <b><i>Nonoperating Revenues (Expenses)</i></b>		
State Educational Appropriations .....	\$ 401,077,000	\$ 356,933,000
Private Gifts .....	62,355,000	71,798,000
Net Investment Income .....	234,414,000	714,562,000
Distributions of Endowment Ordinary Income and Gains .....	0	0
Equipment .....	0	0
Books .....	0	0
Interest Expense .....	(22,320,000)	(19,444,000)
Other .....	(4,789,000)	(3,147,000)
Net Nonoperating Revenues Before Capital and Endowment .....	670,737,000	1,120,702,000
State Capital Appropriations .....	33,652,000	31,945,000
Capital Gifts and Grants .....	40,163,000	50,127,000
Loss on Disposal of Capital Assets .....	(4,306,000)	(5,761,000)
Private Gifts for Endowment Purposes .....	65,154,000	71,522,000
TOTAL NONOPERATING REVENUES, NET ...	\$ 805,400,000	\$1,268,535,000
 Net Revenues (Expenses) Before Transfers .....	251,035,000	769,666,000
 <b><i>Transfers (Out) In</i></b>		
Mandatory:		
Debt Service .....	\$ 0	\$ 0
Plant Improvement .....	0	0
Non-Mandatory:		
Plant Improvement .....	0	0
Other .....	0	0
TOTAL TRANSFERS (OUT) IN .....	\$ 0	\$ 0
 (Decrease) Increase in Net Assets .....	251,035,000	769,666,000
Net Assets, Beginning of Year .....	6,709,242,000	6,960,277,000
NET ASSETS, END OF YEAR .....	\$6,960,277,000	\$7,729,943,000

Source: University of Michigan, Office of Budget and Planning.